

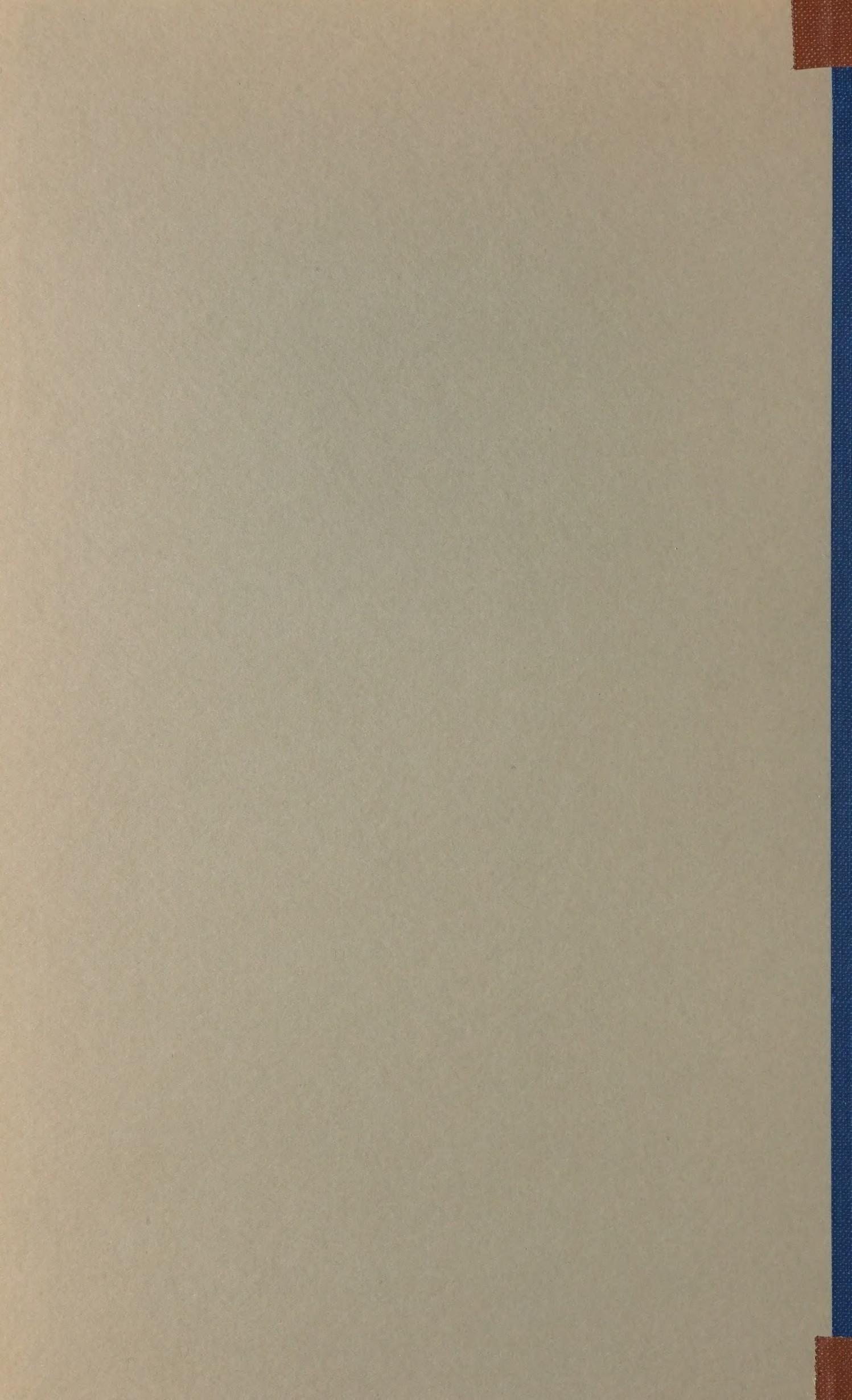


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HOUSE OF COMMONS

Third Session—Twenty-sixth Parliament

1965

SPECIAL COMMITTEE

ON

FOOD AND DRUGS

Chairman: Mr. HARRY C. HARLEY

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PROCEEDINGS

No. 1

THURSDAY, JUNE 10, 1965

TUESDAY, JUNE 29, 1965

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1965

SPECIAL COMMITTEE ON FOOD AND DRUGS

Chairman: Mr. Harry C. Harley

Vice-Chairman: Mr. Rodger Mitchell

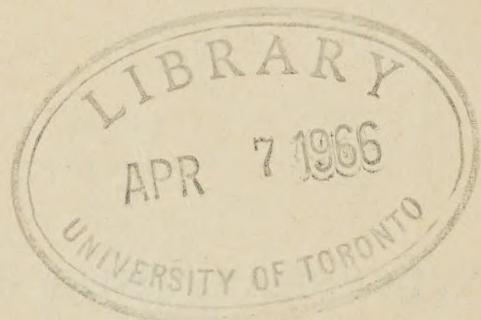
and Messrs.

Armstrong	Jones (Mrs.)	Roxburgh
Asselin (<i>Richmond-Wolfe</i>)	Macaluso	Rynard
Côté (<i>Longueuil</i>)	Mackasey	Slogan
Enns	Marcoux	Valade
Francis	Monteith	Whelan
Gauthier	Munro	Willoughby
Howe (<i>Hamilton South</i>)	Orlikow	Woolliams—24
	Prud'homme	

(Quorum 9)

Gabrielle Savard,
Committee Officer.

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ORDERS OF REFERENCE

MONDAY, June 7, 1965.

Resolved,—That a Special Committee be appointed to continue the inquiry into and to report upon costs of drugs, begun by a Special Committee at the past Session;

That the Committee consist of 24 Members to be designated later by the House; and be empowered to sit while the House is sitting;

That the Committee be empowered to consider and recommend, as it may deem expedient, respecting a comprehensive and effective program to reduce the price of drugs;

That the Committee be empowered to send for persons, papers, and records, and to report from time to time, to print such papers and evidence from day to day as may be deemed advisable, and to engage the services of counsel, accountants, and such other technical and clerical personnel as may be deemed necessary;

That the Minutes of Proceedings of and evidence given before the Special Committee at the past Session be referred to the said Committee and be made part of the records thereof;

That the provisions of Standing Orders 66 and 67 (1) be suspended in relation to such Committee.

Ordered,—That the Special Committee on Food and Drugs be composed of Messrs. Armstrong, Asselin (*Richmond-Wolfe*), Côté (*Longueuil*), Enns, Francis, Gauthier, Harley, Howe (*Hamilton South*), Jones (Mrs.), Macaluso, Mackasey, Marcoux, Mitchell, Monteith, Munro, Orlikow, Prud'homme, Roxburgh, Rynard, Slogan, Valade, Whelan, Willoughby, and Wooliams.

Attest.

MONDAY, June 21, 1965.

Ordered,—That the quorum of the Special Committee on Food and Drugs be reduced from 13 to 9 Members and that Standing Order 67 (2) be suspended in relation thereto.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

REPORT TO THE HOUSE

MONDAY, June 14, 1965.

The Special Committee on Food and Drugs has the honour to present its

FIRST REPORT

Your Committee recommends that its quorum be reduced from 13 to 9 members and that Standing Order 67 (2) be suspended in relation thereto.

Respectfully submitted,

HARRY C. HARLEY,
Chairman.

(This Report was concurred in Monday, June 21, 1965).

MINUTES OF PROCEEDINGS

THURSDAY, June 10, 1965.
(1)

The Special Committee on Food and Drugs met this day at 10:40 o'clock a.m. for organization purposes.

Members present: Mrs. Jones and Messrs. Asselin (*Richmond-Wolfe*), Enns, Francis, Harley, Howe (*Hamilton South*), Macaluso, Mackasey, Marcoux, Mitchell, Monteith, Munro, Orlikow, Rynard, Whelan, Willoughby and Woolliams (17).

The Clerk of the Committee attending and having called for nominations, Mr. Willoughby moved, seconded by Mr. Whelan, that Mr. Harry C. Harley be elected Chairman of the Committee.

There being no other nominations, Mr. Harley was declared unanimously elected Chairman. He took the Chair and thanked the Members of the Committee for the honour bestowed upon him.

At the Chairman's request, the Clerk read the Order of Reference in English and in French.

Mr. Mackasey moved, seconded by Mr. Macaluso, that Mr. Mitchell be elected Vice-Chairman of the Committee.

Mr. Asselin (*Richmond-Wolfe*), seconded by Mr. Marcoux, moved that nominations be closed.

Mr. Mitchell was unanimously elected Vice-Chairman.

On motion of Mr. Howe (*Hamilton South*), seconded by Mr. Asselin,

Resolved,—That a Subcommittee on Agenda and Procedure comprised of the Chairman, the Vice-Chairman and 6 Members to be named by the Chairman, be appointed.

Mr. Enns moved, seconded by Mr. Mitchell,

Resolved,—That the Committee recommend that its quorum, set at 13 pursuant to Standing Order 67 (2), be reduced to 9 members.

It was agreed to leave the decision to the subcommittee on Agenda and Procedure as to the number of copies of its Minutes of Proceedings and Evidence to be printed.

The Committee also agreed that the order of business be left to the subcommittee on Agenda and Procedure, together with some suggestions of Members.

At 10:55 a.m. the Committee adjourned to the call of the Chair.

TUESDAY, June 29, 1965.
(2)

The Special Committee on Food and Drugs met at 9:15 a.m. this day. The Chairman, Mr. H. C. Harley, presided.

Members present: Messrs. Asselin (*Richmond-Wolfe*), Côté (*Longueuil*), Francis, Harley, Howe (*Hamilton South*), Macaluso, Mackasey, Marcoux, Mitchell, Monteith, Prud'homme, Roxburgh, Whelan and Willoughby—14.

The Chairman announced the names of the members of the subcommittee on Agenda and Procedure as follows: The Chairman, the Vice-Chairman (Mr. Mitchell), and Messrs. Mackasey, Howe (*Hamilton South*), Rynard, Marcoux and Gauthier.

The Chairman presented the first report of the Subcommittee as follows:

Your Subcommittee recommends:

1. That the Committee hold its meetings on Tuesdays and Thursdays from 9 to 11 o'clock a.m.
2. That the investigation regarding the cost of drugs be divided in three phases:
 - (a) straight cost of drugs;
 - (b) Federal sales tax;
 - (c) Patent.
3. That the Committee print 1,000 copies in English and 500 copies in French of its Minutes of Proceedings and Evidence.

On motion of Mr. Howe, seconded by Mr. Willoughby, the first report of the Subcommittee was adopted unanimously.

The Committee discussed that part of the Order of Reference dealing with the power given to the Committee "to engage the services of counsel, accountants, and such other technical and clerical personnel as may be deemed necessary".

On motion of Mr. Roxburgh, seconded by Mr. Côté,

Resolved,—That the Subcommittee on Agenda and Procedure be given the power to decide and hire consultant services for the Committee.

The motion carried on the following division: YEAS: 12; NAYS: 1.

The Chairman submitted a tentative schedule of meetings and suggestions were made.

It was agreed that the subcommittee meet immediately after adjournment of the Committee.

At 10:10 a.m., on motion of Mr. Macaluso, the Committee adjourned to the call of the Chair.

Gabrielle Savard,
Clerk of the Committee.

EVIDENCE

TUESDAY, June 29, 1965.

• (9.15 a.m.)

The CHAIRMAN: Gentlemen, we have a quorum.

First of all, I would like to announce the names of the members on the Subcommittee on Agenda and Procedure to act with the Chairman: Vice Chairman, Mr. Mitchell; and Messrs. Mackasey, Howe, Rynard, Marcoux and Gauthier. This gives a total of seven members on the steering committee.

The steering committee as above met on June 15 and presents its first report to the Committee. (See *Minutes of Proceedings of June 29*)

Is there any discussion, gentlemen, on the report of the Subcommittee on Agenda and Procedure? If there is no discussion, will someone move its adoption.

Mr. HOWE (*Hamilton South*): I move the acceptance of the report of the Subcommittee on Agenda and Procedure.

Mr. WILLOUGHBY: I second the motion.

The CHAIRMAN: Will all those in favour of the motion please signify. Against?

Motion agreed to.

The CHAIRMAN: Gentlemen, pursuant to the order of reference of June 7—and I will not read it again in toto—the Committee is empowered to engage the services of counsel, accountants and such other clerical and technical personnel as may be deemed necessary. I would like to discuss this this morning. The steering committee have discussed this briefly and unofficially. It is my personal feeling that the Committee should hire legal counsel and an accountant at this time. I should say that we have approached several people about appearing this morning, but they felt they were not in such a position that they were prepared to come at this time. Therefore it was obvious that committee meetings with witnesses would not be held until the fall. However, at this time we should be in a position to approach staff to give them enough time to undertake such committee work.

The meeting is open for discussion on this matter.

Mr. HOWE (*Hamilton South*): Mr. Chairman, in order to start a discussion I move that we hire both a lawyer and a chartered accountant for our meetings.

The CHAIRMAN: I do not really think a motion is required because we already have the power to do so. We do not have to present a motion and get it agreed to in the House.

Mr. MACKASEY: On a point of clarification, what would be the specific duties of the lawyer?

The CHAIRMAN: First of all, I think any lawyer we would engage would have to be a lawyer who was knowledgeable in this field. He would have

to know about patents and customs tariffs on drugs. I think probably the majority of members on this Committee do not have detailed knowledge in this field. Legal counsel would be there to assist the Committee and to question the witnesses.

Mr. MACKASEY: Would the legal counsel do the questioning or would we?

The CHAIRMAN: This would be up to the Committee, but I think both could do so.

Mr. MARCOUX: This procedure has been followed by the Joint Committee on Consumer Credit. I am a member of that committee. We have a lawyer and a chartered accountant on that committee.

The CHAIRMAN: Did the lawyer participate in questioning?

Mr. MARCOUX: Yes.

Mr. WHELAN: If I have your permission, Mr. Chairman, I would like to ask Dr. Marcoux if he finds this procedure satisfactory.

Mr. MARCOUX: Yes.

Mr. WHELAN: Do you find it takes participation in the Committee's business away from the members themselves?

Mr. MARCOUX: No, I think it is a great help to the members because usually we do not know the legal points about which we should ask questions, and usually when questions have been initiated by the lawyer the members continue along that line. I think it is very important, but it is quite expensive.

Mr. WHELAN: They get more pay than Members of Parliament?

The CHAIRMAN: The question of salary for these people comes under the Commissioners of Internal Economy of the House of Commons. I understand there is a set fee for both of these services.

Mr. WHELAN: From where would the lawyer be hired?

The CHAIRMAN: The lawyer could be hired from anywhere. I do not think there is any restriction.

Mr. MACKASEY: I think it is an excellent idea that we have someone to whom we can turn for clarification and information, but I have certain reservations about them participating in cross-examination. I think this is our role as parliamentarians. I may be a traditionalist, but I cannot reconcile a lawyer or a chartered accountant coming in and doing our job with our role as parliamentarians.

Mr. FRANCIS: Is it not the intention in having a solicitor to perhaps bring a little more orderly sequence to the question period? Members would follow up, but presumably they would meet with counsel and indicate the general areas that would be explored. It seems to me that a committee that does not have any pre-arranged sequence of questioning or of working in some methodical way through the area to be covered suffers to some degree.

The experience in the United States at Congressional committees has been that a counsel has been of great assistance in organizing the entire questioning of witnesses, in protecting witnesses in the event of sharp questioning, and in any other matters that may come forward which need further exploration. It seems to me there is great possibility of misuse of a committee in some circumstances. Counsel is a protection not only to members but also to witnesses coming before the committee.

Mr. MACKASEY: I would agree with that, Mr. Chairman, particularly if a question is put to a witness which could be, as Mr. Francis implied, a rather unfair question. Certainly the Chairman has the right to turn to counsel and ask if in his opinion the question is in order or not in order. However, the principle, as Mr. Francis and I understand it—and I am only trying to get clarification—of counsel actually participating in cross debate of the witness can be carried further: I can say that I will hire a lawyer in the House of Commons and let him do my job. But I am here to do my job myself; this is why I am representing my riding on this Committee, and the lawyer is not. I can understand a lawyer being hired to give us advice and legal opinion; I think this is his role. I do not think it is his role to question the witnesses in the same capacity as members of the committee. This is the fundamental difference. If we do not want to put in the homework necessary, if we do not want to ask questions in an orderly fashion, if we do not want to prepare ourselves before we come into the committee, we have no right to shift the responsibility on to hired help.

(*Translation*)

Mr. MARCOUX: As we now have simultaneous interpretation I shall speak in French. According to Mr. Mackasey's reasoning I think it could be said that the Clerk of committees should not take part in the committees and that all the assistants we have in the House of Commons should leave since it is our job—a job we should do ourselves. But I do not think that is the purpose or the idea of our having advisers, it is simply a matter of having experienced people to do the work we want them to do, to give us the advice we ask them to give us, and to allow them, when necessary, to ask questions if we want them to, but that is not essential. If a legal adviser is here on the committee and we ask him to suggest the type of questions we should put, he may do so. If we just ask him to come and listen to the comments and questions he will just do what we ask him to do. I also think that as the House has authorized it we should not deprive ourselves of the services of legal advisers and accountants who could come here and assist us. This in no way changes the prerogatives of the committees nor does it in any way modify the role a member has to play on the committee. It is just a matter of having more advisers to enlighten the committee and enable us to work more efficiently, that is my opinion.

Mr. PRUD'HOMME: Mr. Chairman, in this connection I think it is important to emphasize the fact that the lawyer we engaged would be working for the committee. I am inclined to agree with Dr. Marcoux in this regard, that is, that the lawyer who would be present would be working exclusively for us. Of course, it is up to the chairman—I am sure he has already taken the necessary steps without knowing who he is going to engage—and the lawyer whose services will be retained is not connected in any way, neither directly nor indirectly, with the pharmaceutical companies. He is quite independent and is just here to supplement the work of the members of the committee. As far as I am concerned there is no doubt at all that being the most disinterested people in the world we can do our work and prepare intelligent questions. It is also certain that a lawyer who has a job to do, there are lawyers among us, people who have some legal knowledge, I am sure that if we go to the trouble of engaging a legal adviser or a lawyer, if you prefer, he will be at

the service of the committee. If, in answer to Mr. Mackasey's objections, he were to go too far, I am convinced the members of the committee would be the first ones to complain, the first ones to call him to order.

(English)

Mr. MACKASEY: I can understand Mr. Prud'homme's point. If counsel goes beyond his jurisdiction, I agree that you might call him to order. But perhaps I have not made myself clear to Dr. Marcoux. He speaks about the staff of the House of Commons. But I have yet to hear Gordon Dubroy get up and cross-examine the Minister of Finance. There is a fundamental difference between the House of Commons procedure and a committee, and it is that difference which I am interested in.

The CHAIRMAN: Now, Mr. Macaluso.

Mr. MACALUSO: I cannot agree with my good friend Mr. Mackasey. As to the function, as I see it, of any counsel—not only of this Committee but of any committee—and as far as participating in the questioning is concerned, I do not see any counsel coming to this Committee or any other committee and asking questions of his own right. If this Committee were to hire counsel, I think this Committee should then sit down with that counsel and hold consultations on what role he should play and what we are to expect of him. Perhaps he might question us. And, if he be qualified and knowledgeable in the field, perhaps we might question him about what points are pertinent, and what questions should be asked of various witnesses before the Committee.

If something technical comes up, and something which counsel thinks it to be his right to raise, if the members of the committee do not ask certain questions, then counsel should ask them. But I do not see any counsel coming to the Committee and taking over the complete right to questioning.

Every member of the Committee is free to question as he sees fit. I think it is a completely different situation when compared to the House of Commons and Mr. Dubroy. I think as far as counsel is concerned we should sit down with him and discuss what his role is to be concerning the questioning.

I simply suggest there may be some matters which come up which counsel might clarify or clean up when questioning a witness. But I do not see the role of counsel to be that of protecting any witness. He is not here to do that. He is here to work for this Committee, to act on behalf of this Committee, and to act as counsel for this Committee. If there is a question which comes up which is not clarified, I would be sadly disappointed if he did not clarify it with the witness. I am sure there would be regular meetings between this Committee and counsel before the line of questioning was agreed upon, to see what field we should be active in.

The CHAIRMAN: Now, Mr. Francis.

Mr. FRANCIS: I did not intend him to be counsel for the witness, but I feel there should be a measure of protection for the witness. It seems to me that he would also help the Committee with its duties. I have sat on many committees when I felt that if counsel had been available to the committee, its proceedings might have taken a slightly different course in many respects, and more protection would have been given to the witnesses coming before the committee.

The CHAIRMAN: Now, Mr. Whelan.

Mr. WHELAN: I agree with what Mr. Mackasey has said. The Committee includes certain people who represent various phases of our way of life in Canada. Some are lawyers, some doctors, some druggists, and some accountants. To me it seems almost unnecessary to ask for legal advice unless it be along the lines which Mr. Macaluso suggests. This person may be heard by the Committee, but he certainly has no business to take part in the proceedings of the Committee. I have sat on a lot of committees when we had many legal advisers, but they never participated in the committee functions when we had witnesses. This is what the Chairman is for. All the time I have been in the House of Commons I have never seen a witness being abused. The Chairman generally looked after this in a very capable manner. And I cannot help but feel that by hiring these solicitors and accountants we are admitting our own inability to look after these things. It is our duty to look after this Committee and to look after the questioning.

On some of the committees on which I have sat, such as the one you chaired before, Mr. Chairman, certainly in every detail, as far as I was concerned, we had lots of people advising us from outside from time to time on the questions we should ask. But we had to use our own judgment and then adopt a procedure on how we could go about it. I might say—and I do not mean to be slanderous towards the legal profession—from my experience in the House of Commons, the fewer lawyers we have in there, with the way they argue about technicalities, the more progress we make in the House of Commons. My experience has been that the legal profession may not be of great assistance in getting on with the work.

Mr. MACALUSO: That shows your lack of knowledge, Mr. Whelan.

Mr. WHELAN: Sometimes it is an advantage to have a lack of knowledge, because you can get on with the work faster. I come from a log-splitting clan.

The CHAIRMAN: Now, Mr. Willoughby.

Mr. WILLOUGHBY: I appreciate the suggestion made that we engage two people, not with the intention that they are going to take on the duty and work of the Committee, but rather that they are going to be hired entirely on an advisory basis, for us to refer questions to them of a technical nature, both legal and actuarial. I cannot see why we should not engage these people to help us. We are concerned with costs and other technical things having to do with drugs. We are dealing with something in a field which very few of us know too much about. I daresay that there are some of us who understand it, but very few of us understand the legal and actuarial factors which may be discussed. I think we should have a staff available not to take over the work of the Committee but definitely to assist us when we ask questions, for guidance in certain matters.

The CHAIRMAN: Now, Mr. Mackasey.

Mr. MACKASEY: I go along with Dr. Willoughby. Do you feel that they should participate in the cross-examination?

Mr. WILLOUGHBY: It would be up to the members to invite them to participate. I do not think they should take over the original questioning. I think it would be better for us to ask them.

(Translation)

Mr. MARCOUX: If you will allow me to explain the reasons that advocated taking on a legal adviser and an accountant for the other committee I mentioned a moment ago, it was because there had been abuses on the part of certain finance companies and the members of the steering committee thought that those companies would be represented by specialists in order to submit their point of view in an absolutely complete manner. As those people were specialists, the steering committee thought that we too should have the support of advice from specialists to be on an equal footing during the discussion.

In this case we are going to discuss the price of drugs and the exorbitant profits, if such is the case, some companies make. The safety of drugs and food is not involved as it was previously. A specific matter is involved and we shall have to judge very definitely whether the pharmaceutical companies are making exorbitant profits, whether the prices people have to pay are too high and I am sure the companies are going to put forward very strong arguments submitted by experts. I think it only normal that we too should be able to rely on certain specialists if necessary.

Mr. PRUD'HOMME: I agree with what Dr. Marcoux has said. I would even go further and say that we shall be in a very difficult field to assess and that people are going to appear before the committee, are going to come here and, in fact, have already taken steps, if you will, to convince us of the exorbitant costs of research, etc. When we begin to speak of the cost of producing pharmaceutical products we shall be a toy in the hands of people who will certainly be better informed than we are since they will only have to think of defending themselves. In that case I do not see why we should be afraid that an expert on the matter should be on the committee and steal the headlines from us, if you will, he would be at the entire disposal of the committee, I think. That is the important point, he would be employed by the committee to assist the members if the latter wanted to use his services. Let us take, for example, the case where the legal adviser might cross-question a witness appearing before us or, again, discuss a question put by a member of a committee. The witness might tell the committee a brazen lie. But as we are not, let us say, specialists in the matter he is answering us about we might, because he answers with a certain amount of assurance, take it for granted that his answer makes sense.

If, however, our legal adviser or our accountant is there he may make a sign to us meaning "Just a minute, there, something is wrong".

It will not be up to him to deal with the matter directly, he will just be at the disposal of the committee to tell either the chairman or one of the members or, if we prefer, it will depend on the latitude we allow him. I do not say he should cross-question himself nor do I say he should not. I think we should let him have a free hand until the case arises. When the case does arise we shall see what would be preferable. Would it be preferable if our legal adviser or our accountant said to us "Ask him this question or ask him that question" or would it be better if our accountancy expert or our legal specialist put the question immediately, if he interrupted the witness and contradicted him himself. It will be up to us to decide.

(English)

Mr. WHELAN: I would like to say only one thing; I do not believe we should be in effect just members of a jury. I do not think we should lose

any of our rights as members of the Committee. So long as these rights are guaranteed I am heartily in accord with this arrangement. We could meet with this solicitor more or less with him acting in an advisory capacity. We certainly must have departmental officials to advise us and we should meet with them, possibly before witnesses appear.

I am a strong supporter of representation in a committee. It may be that someone else would be able to be more technical and give a better lead in the questioning, but stupid as some of my questions may seem I always have believed that membership participation in a committee of any kind is the very life blood of a committee.

Mr. MITCHELL: Mr. Chairman, in looking back on this Committee I may point out that we have come out through the insecticide and pesticide phase and from there went to the matter of quality and quality control of drugs. We managed to stumble through that without legal advice. I do not believe we were backed into any corner on knotty questions; I believe we brought out the evidence we wished. At that time there was no thought of having a legal adviser.

I feel in the meantime we should shelve this arrangement so far as a legal adviser is concerned. If we feel this is necessary at some later date, then we could consider it at that time. I believe a cost accountant would be of much greater value to this committee than a member of the legal fraternity.

So far in this committee we have progressed very well without advice; why not start again in the same way until we feel it actually is required.

(Translation)

Mr. CÔTÉ (*Longueuil*): Mr. Chairman, I entirely agree that we should engage specialists to guide the members of this committee. I think we have already examined the matter of safe drugs which is even more important than the cost of drugs. At that time we did not resort to experts but perhaps we should have. I wonder whether it is really possible to retain the services of experts in this field or whether the experts there are in Canada are not already employed by the pharmaceutical companies.

I think it is a highly complex field. It may be difficult to retain someone who is really knowledgeable about pharmaceutical products.

(English)

Mr. MACKASEY: Mr. Chairman, I have listened quite attentively to all the arguments including my own. There is a great difference of opinion among members of this Committee. In the event that I was not clear, I may say that I am fully in accord with the theory that we should hire legal and accounting advice. However, I would not like us to leave here with any uncertainty in respect of precisely what we expect of these persons and their area of jurisdiction.

Perhaps I am oversensitive to our role. I am not persuaded too greatly by the argument concerning the technical nature of the matter and our capability of doing the job. If we are not capable then this matter should not have been referred to us in the first place; rather there should be a royal commission where everybody is expert. I have studied the Kefauver hearings pretty closely and I would hate to see that atmosphere introduced into the Canadian parliament. You will find there that the matters were not introduced by the Senators but rather by the hired help who were brought in and who used it as a platform for further things.

As Mr. Macaluso pointed out, we have nothing to apologize for in respect of our previous hearings. I would go along with the suggestion that we might have someone to help us in respect of our strategy and so on. Incidentally, I hope the witnesses who present briefs will get them into our hands early enough so that we will have an opportunity to study them. The only point which bothers me is the matter of a lawyer and an accountant having freedom to cross-examine witnesses without at least going into a huddle with us first. In other words, I would not like to see them attached to this Committee and have the same status as members of the Committee.

The CHAIRMAN: It is not my suggestion that we should hire a prosecuting attorney, although this appears to be the way my suggestion has been taken. The feeling of the Chair is that these persons would be specialists in their own field, and in an area in which most of us are not specialists. It was not the thought of the Chair that this person would be a prosecuting attorney. The thought is that he would provide a consultative service only. In respect of allowing these persons to ask questions, when we get into a discussion of the schedule it will become obvious we will be tight in some areas and some witnesses will only appear for one visit. If we were short in some area it might be that the lawyer would wish to ask a question in that area.

● (9:45 a.m.)

Mr. MACKASEY: To whom did you say?

The CHAIRMAN: I am sorry.

Mr. ROXBURGH: Let us be sure that that is recorded!

The CHAIRMAN: You are throwing me off completely.

If a person wanted to ask one question in order to clarify a point, it would seem to me that would be the place to do it if the witness was not coming back again.

Mr. MACKASEY: This is where we disagree. This is our function as Members of Parliament.

Mr. ROXBURGH: I go along with Mr. Mitchell to this extent. I think we perhaps should have one of these gentlemen, or two, or whatever number the committee decides; but certainly I do not think they should be given any authority to ask any questions at all without the sanction of the Committee. If there is some point we have missed, then they can bring it to the attention of the Chairman. I do not think they should ask any questions. Once they start doing that, they are the ones who are going to continue because they are possibly technically competent and will perhaps bring in a few more angles. However, I think it is very necessary that we should have them here for advice. I do not think they should be given the privilege of asking questions.

(Translation)

Mr. CÔTÉ (*Longueuil*): If we run into difficulties with regard to checking the cost of drugs to the companies, for example, shall we have the right to examine their books? Should they produce their books? I think these are questions an adviser could answer for us. Is the committee authorized to do that? In cases of that kind I think it would be very useful to have a legal adviser to guide us. Even though we are a Parliamentary committee I do not think we are authorized to ask a company to show us their books. I do not think

it would be legal. There are several points like that which will arise during the debate, about which a legal adviser could enlighten us.

(English)

Mr. PRUD'HOMME: Will we have the right to do that?

The CHAIRMAN: I do not think the Committee will have the power to do this. The witnesses are coming before us voluntarily, and I assume they will discuss cost in their brief.

Mr. WILLOUGHBY: Mr. Chairman, will we be provided with official statements?

The CHAIRMAN: I am sure they will present their annual report and break it down for you.

Mr. FRANCIS: I would like to go back to the point Mr. Whelan raised a little while ago. Will there be any other research assistants from the department available to this Committee?

The CHAIRMAN: What department?

Mr. FRANCIS: I was thinking particularly of the Department of National Health and Welfare to start with, and then any other department that might be concerned. I am particularly thinking, Mr. Chairman, of the possibility of initiating questionnaires on our own account, and undertaking some studies to obtain further cost data if we should feel, after our early questioning of the witnesses before us, that there are any gaps in the information or any areas we want to explore on our own. I know the department has done some continuing studies in this area through the years.

Is it intended that we should second research personnel from the department for the purposes of the committee, or anything like that? I know this was done in connection with the Canada Pension Plan Committee, for example, and very successfully. I wonder whether anything comparable was envisaged in the case of this Committee.

The CHAIRMAN: It has been suggested that we might wish to have a secretary detached from a department, but no action was taken on it. If the Committee wants to discuss that, they may do so.

Mr. FRANCIS: I think an economist might be useful. We never know what the Committee is going to do, and we do not know at this point whether they would use an economist effectively; but if the Committee were to find after they had interviewed half a dozen witnesses that there was something for which they needed staff of the kind not anticipated before, could they go to the Department of National Health and Welfare, or any other department, and ask to have staff detached for work with the Committee?

The CHAIRMAN: You are not suggesting we do this now, but that we may do so if it turns out to be necessary?

Mr. FRANCIS: I am suggesting that we seek authority to do so.

The CHAIRMAN: The authority we have at the moment is fairly general. We may "secure technical and other staff". We could approach any department. You are suggesting that we wait and see if it becomes necessary?

Mr. FRANCIS: We might want to produce a standard questionnaire, for example, to send to companies and producers of individual products. If we wanted to do something like that we would definitely need to have competent technical staff to handle it.

Mr. WHELAN: We are asking to hire this extra help. Dr. Francis suggests an economist, and a lawyer has been suggested. Before we make this decision should we not consider the cost of these people?

The CHAIRMAN: Anyone that would come from a department—

Mr. WHELAN: I am thinking of people hired from outside. I am talking about outside help that we could bring in.

The CHAIRMAN: It is my understanding that this comes under the Commissioners of Internal Economy of the House of Commons. They have a set rate. We have to get their approval, but the House of Commons has already given us authority to hire these people.

Mr. WHELAN: We do not know whether it is going to be \$300 or \$200 a day. We do not know what it is going to be, do we?

The CHAIRMAN: No, but before this is done the Chairman and the steering committee will have to come back to this Committee and say "We recommend so and so."

Mr. MACALUSO: We are running round the bush to a certain extent, but may I say that I think it is imperative that we have a cost accountant. As far as the lawyer is concerned, perhaps there is some psychosis among our members in connection with prosecuting attorneys; they have probably been watching too many television programs and movies for too long. However, the lawyer is at the direction of the Committee, and if the Committee wants him to ask certain questions, that is fine. If they do not, I do not think it matters. I think we lead.

As far as Mr. Whelan's and Mr. Lloyd Francis's recommendations about departmental staff are concerned, I think it is imperative that this Committee have the right to employ anyone it feels necessary. This is one of the most important committees that has been formed. It is in the public eye. The public will want to see that the job is being efficiently done. This will perhaps be the last committee on drugs before the government makes a recommendation on the findings. Therefore, I think it is important that departmental staff should be seconded from the Food and Drug Directorate, from Finance, and from Trade and Commerce also, because drugs are imported from other countries, or any other departments, such as Health and Welfare. An economist or any other specialists should be seconded if the Committee feels it is necessary. I think an efficient staff should be put together at the direction of this Committee and for the use of this Committee, and that it should consult with the Committee in camera before witnesses are called.

I suggest the steering committee be reconvened to go over the whole subject of the cost accountant, the lawyer and departmental staff who should be brought together for the use of this Committee. I think it is so important that it should be done by the steering committee and that recommendations should be brought in. I also think that the steering committee should consider who should be retained as a lawyer and who should be retained as a cost accountant, and how they should be retained.

● (9:55 a.m.)

Perhaps there should be some names suggested which the steering committee can come up with after some research. I suggest that this be left in the

hands of the steering committee to be called by the Chairman as soon as possible, and then come back to this Committee. I think that as far as the Committee is concerned we are all agreed in principle, and it just remains for the mechanics to be worked out.

Mr. ROXBURGH: I agree with Mr. Macaluso 100 per cent in this matter. We have gone through two phases of the food and drug business up to now, but this will be the most controversial of the whole set-up. I think it is very necessary that we receive the best advice. As far as advice is concerned, we can receive representatives from different departments, and as suggested, it would not create added costs, and we could deal with them, as Mr. Macaluso suggested, in camera, and we would really be right on the bit. I think the steering committee should look into it at once. I agree 100 per cent.

Mr. WILLOUGHBY: I refer for a moment to the possibility of dealing with questions from expert advisers. I think we ought to be just a little cautious. I agree that we are here as members of parliament to do the work of the Committee, but I feel we should make allowance for the fact that these experts would be listening to the witnesses and might have questions which they would like to have asked. So I think we should have liaison with the high-paid help. There is no sense in our having high-paid help sitting over there when they cannot talk to us in any way about important questions. I do not think we should curtail them and say they cannot ask any questions.

Mr. MACKASEY: Exactly. That is what I suggested, namely, that the steering committee should work out the mechanics and provide for liaison, and get questions from members, or ask for an opportunity to question. In the Canada Pension Plan Committee we had experts at our command. If there was something we wanted to ask them, some information we wanted, we would call them and ask it, and then place it before the committee. I think that should work out very well here.

The CHAIRMAN: Now, Mr. Prud'homme.

(Translation)

Mr. PRUD'HOMME: Could not one of the departments, either the Department of Finance or the Department of National Revenue, lend us one of their chartered accountants instead of our hiring one?

(English)

The CHAIRMAN: I suppose he could, but he is not an independent man. He is a man who is a government man, and I think it is a feeling that the Committee should have completely independent consultant staff.

Mr. ROXBURGH: Make sure that he has not worked for industry before that in any way, shape, or form.

The CHAIRMAN: Gentlemen, I think we have talked around this subject a great deal. Mr. Mackasey brought home points about the steering committee, but unfortunately, as an example, a steering committee meeting was called last week to discuss this very point, but a lot of people were away and we did not get a quorum. That is why we called a full Committee meeting today.

Mr. MACKASEY: Could you not call the steering committee right now? The next committee is not called until 11.00 o'clock.

The CHAIRMAN: We are going into recess and if we are to hear experts in this field, we must approach people now. We cannot approach them the day before an examination, because those people are extremely busy.

Mr. MACKASEY: You can appoint anybody you wish to come in order to get on with it.

The CHAIRMAN: Will this Committee give power to the steering committee to hire people?

Mr. ROXBURGH: After all we have gone through today, surely we have enough confidence in the steering committee. After all, what is the use of having a steering committee otherwise. Let us give them the power to do as they see fit, and if they want to put both feet into it, they will get it after we come back.

The CHAIRMAN: All we might do otherwise is to write every member of the Committee and ask for his approval.

Mr. MACKASEY: I am prepared to leave it in the hands of the steering committee.

Mr. ROXBURGH: I move that the steering committee be given the power to go ahead with this business right now.

The CHAIRMAN: Is there a seconder that the steering committee have the power?

Mr. MONTEITH: I second the motion.

Mr. WHELAN: I will move an amendment to the motion. I believe the whole Committee should have the right to interview these people, and I think it should be left to the Committee as a whole to make the final decision about it. This group will not be doing anything while we are in recess, or do you intend to have them work while we are in recess?

The CHAIRMAN: No, that is not my intention. My point is a very simple one: if we do not approach these people and give them about three months notice, the Committee will not end up with any counsel at all.

Mr. MACKASEY: Can the steering committee meet and make a recommendation, and we can poll the Committee members afterwards by mail?

The CHAIRMAN: I am willing to do this instead of having a meeting, because we will not be here. The Committee clerk can write every member.

Mr. ROXBURGH: What more would any of us know if you did poll us on behalf of Jim or Joe? What would we know then that we do not know now? After all we are a democratic country so let us get along with it, and vote on it.

The CHAIRMAN: I think your amendment is really unnecessary, because all you have to do is vote against the motion and you will accomplish the samething, Mr. Whelan. I would be quite willing to poll all the members of the committee by mail.

Mr. MONTEITH: Is it not reasonable that the only one who will be working on this during the recess is the Chairman? Why does he not go ahead and do this thing, and then poll everybody to see if his recommendations are acceptable.

Mr. ROXBURGH: How many are there on the sub-committee?

The CHAIRMAN: There are seven.

Mr. ROXBURGH: And how many are there in the whole set-up?

The CHAIRMAN: There are 24.

Mr. ROXBURGH: If there are seven on the sub-committee, they are the ones who will be at most of the meetings anyway.

Mr. MONTEITH: They will not be attending meetings during the recess any more than you will be.

Mr. PRUD'HOMME: Why not leave it absolutely to you to choose them, and when we come back we can see about it?

Mr. MITCHELL: I thought there was a motion before the committee.

Mr. ROXBURGH: He will have to talk it over with the steering committee.

The CHAIRMAN: Gentlemen, Dr. Marcoux.

(Translation)

Mr. MARCOUX: If I might make a suggestion. the steering committee might get together at the earliest opportunity, perhaps in a moment or so if possible, this being common practice, and if the committee decides that the decisions should be submitted to the chairman I think the chairman should do it after the discussion with the members of the committee.

(English)

Mr. MACALUSO: I think that is the same idea. I think the steering committee should now decide what they are to do.

Mr. PRUD'HOMME: And if there is a fight, call us back.

The CHAIRMAN: The motion before us reads as follows:

That the steering committee be given the power to decide and hire consultant services for the committee.

Do you wish to have this reworded or carried the way it is? We could add, if you wish, "subject to the polling of the Committee by the Chairman".

● (10:05 a.m.)

Some hon. MEMBERS: No, no.

Motion agreed to.

The CHAIRMAN: I would suggest that the steering committee might meet immediately after our meeting this morning.

At this point I might mention the schedule which I have worked out tentatively. None of these persons or organizations have been invited, because I had to wait until I knew what days the Committee would be meeting. We have tentatively scheduled, starting on the 28th September and going through to the 25th November, meeting two days a week, the following witnesses, none of whom at this point, apart from some of the departmental people, have been approached: the Minister of National Revenue, the Canadian Association of Consumers, the Canadian Pharmaceutical Association, the Canadian Medical Association and College of General Practice of Canada, the Canadian Pharmaceutical Manufacturing Association, the Canadian Labour Congress, the Restrictive Trade Practices Commission, the Hall Commission, The Canadian Hospital Association, Generic Drug Manufacturers, Ethical Drug Manufacturers and the Patent and Trade Mark Institute of Canada. Then there are

a few individuals who wish to appear. One is Dr. Wyant who is a professor of anaesthesia from one of the universities.

As you can see this takes us to the end of November. I am sure there will be many other witnesses. This is merely a proposal for a beginning. I am sure when this Committee begins its proceedings there will be many others who will wish to appear before us. We may find it necessary to sit more than two days a week. Some of these groups I have put down for more than one visit. It is obvious that we could not complete our hearing of the Canadian Pharmaceutical Manufacturing Association in one meeting and I have allowed four days for that. I have allowed two days for the Restrictive Trade Practices Commission and also the Hall Commission.

Mr. MACKASEY: Have you had requests from individual pharmaceutical houses?

The CHAIRMAN: No. However, one of the previous witnesses, Cyanamid, said they would be prepared to return to discuss the cost of drugs, and I intend to invite them. Anyone else who was here before may appear again.

(*Translation*)

Mr. PRUD'HOMME: Mr. Chairman, I have a suggestion regarding a group, the confederation of national trade unions which is not affiliated to the Canadian Labour Congress. There is the *Fédération des travailleurs du Québec* which is affiliated to the CLC. In that case—

(*English*)

If the Canadian Labour Congress wishes to appear, it is all right. The reason this union is being called is that they have raised the matter in the past, and are continuing to do so, concerning the cost of pharmaceutical products. They have the support of the minister in Quebec, among others. I would suggest someone write them and ask them whether they would wish to appear.

The CHAIRMAN: Since Dr. Rynard is not here I would be pleased to have a substitute for him on the steering committee.

Mr. MONTEITH: May I suggest Dr. Willoughby?

The CHAIRMAN: Fine. The Committee is adjourned to the call of the Chair.

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